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June 29, 2004

APPLICATION

Honorable James H. Welsh
Commissioner of Conservation
Louisiana Office of Conservation
P.O. Box 94275
Baton Rouge, Louisiana 70804

RE: 2,100' Zone, Reservoir A
Humphreys Field
Terrebonne Parish, Louisiana

Application is hereby made on behalf of **DENBURY ONSHORE, LLC** for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters in the **2,100' Zone, Reservoir A**, in the Humphreys Field, Terrebonne Parish, Louisiana, to-wit:

1. To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate, such unit to be designated 2100' RA SUA;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;
3. To designate the Denbury Onshore, LLC – Cabot Fee No. 1 Well as the unit well for the proposed unit;
4. To designate Denbury Onshore, LLC as the unit operator for the proposed unit;

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* ALSO ADMITTED IN TEXAS
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*** ALSO ADMITTED IN OKLAHOMA

5. To provide that any future wells drilled to the 2,100' Zone, Reservoir A, should be located in accordance with the spacing provisions of Statewide Order No. 29-E;
6. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoir, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The 2,100' Zone, Reservoir A, in the Humphreys Field, Terrebonne Parish, Louisiana, is hereby defined as that gas and condensate bearing zone encountered between the depths of 2,059 feet and 2,320 feet, electric log measurements, in the Denbury Onshore, LLC – Cabot Fee No. 1 Well, located in Section 39, Township 17 South, Range 16 East, Terrebonne Parish, Louisiana.

No conference to discuss the proposed application was held, as none was requested within the delays provided for by the Rules of Procedure; therefore, no opposition to this Application at the hearing is anticipated.

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting **Holmes Smart, 200 Audubon Blvd., Lafayette, Louisiana 70503, (337)232-4031.**

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,


RANDALL C. SONGY

RCS/elg/bad

Enclosures

cc: Mr. Richard Hudson, District Manager
Office of Conservation

All Interested Owners, Interested Parties and
Represented Parties

P.S. To all Interested Owners, Represented Parties and Interested Parties:

You may have received this Application even though your property is not included in the proposed unit, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed unit. In some cases, the area proximate to proposed unit can extend as far as one-half mile outside the unit boundary.

Your receipt of this Application does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.

T17S-R16E

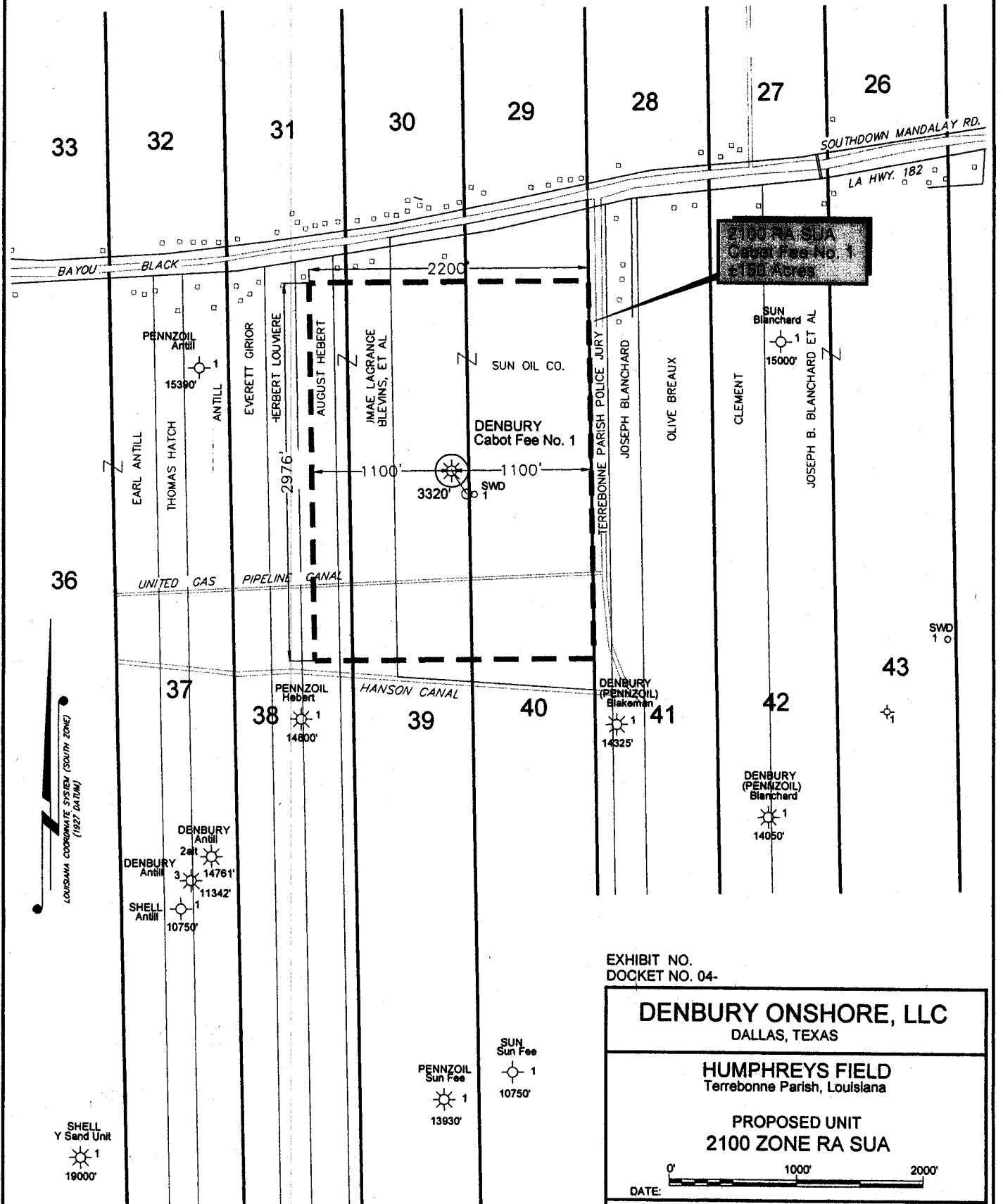


EXHIBIT NO.
DOCKET NO. 04-

DENBURY ONSHORE, LLC
DALLAS, TEXAS

HUMPHREYS FIELD
Terrebonne Parish, Louisiana

PROPOSED UNIT
2100 ZONE RA SUA

0' 1000' 2000'

DATE:

FRANK W. HARRISON, JR.
CONSULTING GEOLOGISTS - LAFAYETTE, LOUISIANA